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Removing Funding Requirements Would Greatly Improve Local Government's Ability to Redevelop Sites

Arcuri Cites Local Struggles with Former Griffiss Air Force Base and Seneca Army Depot

WASHINGTON, DC-U.S. Rep. Michael A. Arcuri (NY-24) discussed the importance of eliminating cost-sharing requirements for Economic Development Administration grants to redevelop former military facilities during the House Committee on Transportation and Infrastructure's consideration of *the Economic Revitalization and Innovation Act of 2010 (H.R. 5897)* yesterday afternoon.

"Communities in need of these grants often find themselves unable to raise the required matching funds because of job loss associated with the base closure has left them with an eroded tax base," **said Arcuri**. "Removing this requirement would greatly improve their ability to redevelop these sites and attract new business and jobs to the community."

Current law requires local governments to contribute as much as 50% of the total redevelopment project's cost. And although it gives the U.S. Secretary of Commerce the discretion to raise the federal share up to 100%, if the municipality has adequately demonstrated financial need, he is not required to do so. Additionally, the current framework requires project sponsors to apply for funding without knowing the share of the project they will ultimately be responsible for.

Arcuri added, "Elected officials are often hesitant to apply for funding if there is the potential that the municipality could be required to match the full 50%."

During the discussion, Arcuri specifically cited the difficulties two local municipalities in his district have faced in their attempts to redevelop former military facilities based on the current cost-sharing requirements. Afterwards, Committee Chairman James Oberstar and Ranking Member John Mica, and Economic Development Subcommittee Ranking Member Mario Diaz-Balart all agreed work with Arcuri to work towards improving the current framework to make it easier on local governments and development agencies to apply for funds.

Griffiss Air Force Base in Rome, NY was realigned following the completion of the 1993 and 1995 Base Realignment and Closure (BRAC) Commissions, which resulted in the loss of nearly 5,000 military and civilian jobs. Since that time, local economic development officials have been working diligently to develop the former base into what is now the Griffiss Business and Technology Park.

The Seneca Army Depot occupies more than ten thousand acres in the Towns of Varick and Romulus in Seneca County. It was used as a munitions storage and disposal facility by the United States Army from 1941 until it was formally shut down in September of 2000. The property has an extensive array of warehouses and weapon storage igloos that are structurally deficient and in need of removal. Demolition of these structures alone will cost an estimated \$18 million.

Earlier this year, Arcuri introduced legislation (H.R. 4294) which would also eliminate these cost-sharing requirements.

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